

STATE PROCUREMENT OFFICE
NOTICE OF REQUEST FOR EXEMPTION
FROM HRS CHAPTER 103D

14 DEC 30 A7:45

TO: Chief Procurement Officer

FROM: Department of Health, Chronic Disease Prevention & Health Promotion Division
Name of Requesting Department

ADMINISTRATION
STATE PROCUREMENT OFFICE
STATE OF HAWAII

Pursuant to HRS § 103D-102(b)(4) and HAR chapter 3-120, the Department requests a procurement exemption for the following:

1. Describe the goods, services or construction:
The Department of Health, Chronic Disease Prevention and Health Promotion Division (CDPHPD), through its Healthy Hawaii Initiative, seeks to fund the implementation of a statewide bikeshare program. The Department is preparing to fund a Hawaii-based organization to plan, launch, maintain, and expand a statewide bikeshare system with the proposed initial launch in the urban Honolulu area as well as the expansion of the existing Kailua bikeshare project. The organization must have the capacity to: 1) Launch, own, and administer the system; 2) Conduct procurement activities; 3) Identify and recruit additional funders; 4) Market and promote bikeshare services; and 5) Oversee all duties except for the day to day operations of the system. Additionally, the organization must have the capacity to complete pre-launch and post-launch deliverables including, but not limited to, the ability to: 1) Conduct a station planning & design process; 2) Plan & implement a community outreach strategy; 3) Finalize & issue a request for proposal for a bikeshare vendor & operator; 4) Establish a vendor selection committee; 5) Select a bikeshare vendor and operator; 6) Launch the system; 7) Monitor the vendor and operator contract; and 8) Plan for system expansion.

2. Vendor/Contractor/Service Provider:	Bikeshare Hawaii	3. Amount of Request: \$ 1,000,000.00
4. Term of Contract From: 1-Jan-15 To: 31-Dec-17	5. Prior SPO-007, Procurement Exemption (PE): N/A	

6. Explain in detail, why it is not practicable or not advantageous for the department to procure by competitive means:
The DOH CDPHPD conducted an RFI and market research of bike share vendors to support a Hawaii-based bike sharing system. Organizations exist that encourage bike sharing, operate bike share systems, or provide equipment for bike sharing. After reviewing the types of organizations in the field, the DOH CDPHPD has concluded that conducting the competitive procurement process will not result in several qualified applicants since only one organization was identified through this process. The competitive process is not expected to result in identifying several vendors with the required organizational structure, a Hawaii-based public/private business model that includes representation from government, public sector, and private businesses in their governance to guide development and growth of a bike sharing system.

7. Explain in detail, the process that will be or was utilized in selecting the vendor/contractor/service provider:
The City and County of Honolulu conducted a comprehensive organizational study for establishing and sustaining a bike sharing system in Hawaii. The study included an analysis of bike sharing systems featuring different business models, strengths, and lessons learned (see attached presentation). On August 30, 2013, then-Governor Abercrombie and Mayor Caldwell reviewed the results of the study and the recommendations were summarized in the study and interim action plan (see action plan). The decision from the leadership meeting was to move forward with a scalable public/private business model with the organization based in Hawaii. The recommendation was to use a non-profit organization that would contract with a private operator for the bike share that would carry the liability, and the organization would rely on a combination of public, private and grant funding. Representation from government, public and private sector organizations would have input on the direction of the bike share system.

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7. Explain in detail, the process that will or was utilized in selecting the vendor/contractor/service provider:

Subsequently the DOH CDPHPD posted a request for information (RFI) from prospective organizations having the capacity to launch a statewide bike share system in Hawaii (see attached RFI). Only one response was received by the deadline, from Bikeshare Hawaii. Bikeshare Hawaii is a 501 (c)(3) tax-exempt organization with its sole purpose being to establish and administer a publicly accessible bike share system in the state of Hawaii. Additionally, DOH CDPHPD conducted market research around the interest and capability of organizations to provide the requested services (see attached responses). A bike share vendor, a bike share operator, a non-profit bicycle organization, and a non-profit bike share organization were contacted and asked a standard list of questions pertaining to the required services. Some of the contacted organizations do have the expertise needed to launch a bike share system, but only one has the willingness, capacity, ability, and relationships to establish and sustain the system in Hawaii. The only organization that met the full criteria for the public/private bike sharing system model was Bikeshare Hawaii.

PE15-028K

8. Identify the primary responsible staff person(s) conducting and managing this procurement. (Appropriate delegated procurement authority and completion of mandatory training required).

*Point of contact (Place asterisk after name of person to contact for additional information).

Name	Division/Agency	Phone Number	e-mail address
Lola Irvin 	CDPHPD/TSP	586-4481	lola.irvin@doh.hawaii.gov
Heidi Hansen Smith* 	CDPHPD/TSP	586-4495	heidi.hansen-smith@doh.hawaii.gov

*All requirements/approvals and internal controls for this expenditure is the responsibility of the department.
I certify that the information provided above is, to the best of my knowledge, true and correct.*


Department Head Signature

DEC 24 2014
Date

For Chief Procurement Officer Use Only

Date Notice Posted: 1/8/15

Inquiries about this request shall be directed to the contact named in No. 8. Submit written objection to this notice to issue an exempt contract within seven calendar days or as otherwise allowed from date notice posted to:

state.procurement.office@hawaii.gov

Chief Procurement Officer (CPO) Comments:

This request is disapproved as it lacks sufficient justification for an exemption. The Department may use the appropriate method of procurement (i.e. Competitive Sealed Proposals) to expeditiously procure the goods or services needed, while affording other potential vendors the opportunity to compete. In addition, the RFP should avoid use of restrictive specifications and incorporate provisions protecting the State against poor performance by contractors.

If there are any questions, please contact Kevin Takaesu at 586-0568, or kevin.s.takaesu@hawaii.gov.

☐ Approved

☒ Disapproved

☐ No Action Required


Chief Procurement Officer Signature

3/23/15
Date